

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2311 - HB 2811

February 27, 2022

SUMMARY OF BILL: Requires the Department of Commerce and Insurance (DCI) to maintain on the DCI's website a public searchable database of each person who is registered with the department to act as a security guard/officer and the name of the entity employing the person as a security guard/officer. Requires DCI to report to a security guard/officer's employer if the person fails to renew their registration.

Requires both an armed and unarmed security guard/officer applicant to complete a mental health evaluation provided by DCI and to have one hour of verbal de-escalation training to prevent use of force.

Requires a security guard/officer to provide written notice to the Commissioner or the Commissioner's designee of any change in employment status as a security guard/officer within 10 days of the change occurring. Creates a Class E felony for second violations of this act.

FISCAL IMPACT:

**Increase State Revenue – Up to \$244,600/FY22-23 and Subsequent Years/
Board of Private Protective Services**

**Increase State Expenditures - \$244,600/FY22-23/
Board of Private Protective Services
\$223,600/FY23-24 and Subsequent Years/
Board of Private Protective Services**

Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Board of Private Protective Services had a surplus of \$330,287 in FY19-20, a surplus of \$81,574 in FY20-21 and a cumulative reserve balance of \$0.00 on June 30, 2021.

Assumptions:

- Based on information provided the DCI, the provisions of this legislation cannot be accommodated within existing resources for all 34,000-security guard/officers.
- DCI can maintain a public searchable database of each person who is registered with the department to act as a security guard/officer.
- DCI will require four Regulatory Board Administrative Assistant 2 positions in order to:

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- Update the database with the name of the entity employing the person as a security guard/officer;
 - Keep up to date records of employment changes/registration non-renewal notifications;
 - Review mental health evaluations; and
 - Print new ID cards and update ID cards with the company name for each licensee.
- The one-time increase in state expenditures associated with the provisions of the legislation is estimated to be \$20,923 (\$14,623 for one ID Printer and Printer supplies + \$1,500 for one rule making hearing + \$4,800 computer costs).
 - There will be a recurring increase in state expenditures of \$223,636 [(\$41,148 salary + \$13,761 benefits + \$1,000 communications and supplies) x 4 Regulatory Board Administrative Assistant 2 positions] in FY22-23 subsequent years.
 - The total increase in state expenditures in FY22-23 is estimated to be \$244,559 (\$20,923 + \$223,636).
 - DCI will need to solicit and procure a contract from mental health providers in order to provide mental health evaluations to each security/officer. The cost of such a contract is unknown.
 - The courts will not experience an increase in caseloads; therefore, any impact to the court system is estimated to be not significant. Any impact on state or local incarceration expenditures will be not significant.
 - Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Board of Private Protective Services had a surplus of \$330,287 in FY19-20, a surplus of \$81,574 in FY20-21 and a cumulative reserve balance of \$0.00 on June 30, 2021.
 - In order to maintain self-sufficiency, the Board will need to raise fees, for registration and applications to offset the cost of a mental health evaluation contract and new board positions, the new fees the board will set are unknown but are reasonably assumed to be an amount up to \$244,600 in FY22-23 and subsequent years.

IMPACT TO COMMERCE:

Jobs Impact – Increase of four positions.

Assumption:

- The Department of Commerce and Insurance will hire four positions within the Division of Regulatory Boards; therefore, the bill results in at least four additional jobs in the state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid.

Krista Lee Carsner, Executive Director

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